



REQUEST for PROPOSALS

For

RENEWABLE ELECTRIC POWER SUPPLY PROPOSALS

RFP Issue Date:	March 11, 2003
Stage 1 Response Deadline:	April 18, 2003, 5:00pm PPT

The Northern California Power Agency (NCPA) is accepting proposals from potential Respondents of renewable electric power resources to help meet expected long-term needs of its Members. NCPA may procure power supply resources from those Respondents whose proposals, in NCPA's sole judgment, represent the greatest value to the NCPA Members when compared with other electric supply options available to NCPA. The issuance of this Request For Proposals (RFP) does not constitute a commitment by NCPA to purchase such resources from any source. NCPA reserves the right to revise, suspend or terminate this RFP and any schedule related thereto at its sole discretion without liability to any Respondent.

1 DESCRIPTION OF NCPA

NCPA is a nonprofit California joint powers agency established in 1968. Its **Members are:** the cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, the Port of Oakland, the Truckee Donner Public Utility District, and the Turlock Irrigation District; and seven **Associate Members:** the City of Davis, City of Santa Barbara, ABAG Power, Bay Area Rapid Transit District, Lassen Municipal Utility District, Placer County Water Agency, and the Plumas-Sierra Rural Electric Cooperative. These electric utilities serve nearly 700,000 electric consumers in Central and Northern California. Attachment 3 displays the locations of each NCPA Member and jointly owned resources.

As a CAISO Schedule Coordinator, NCPA is able to arrange for physical power deliveries to its Members through the ISO Grid. In addition, NCPA's members hold additional transmission-related rights through other pre-existing contracts.

In Fiscal Year 2000-01, NCPA operating utilities met a combined peak demand of 1822 megawatts (MW) and supplied 8,612 gigawatt-hours (GWh) of energy. To meet these loads, NCPA operating utilities own and operate 238 MW of geothermal generation located in the Geysers region of California, 436 MW of hydroelectric facilities, 220 MW of combustion turbines (CTs) located in five Members' service areas, 134 MW of

miscellaneous small projects, numerous existing power supply contracts and 596 MW of firm Western Area Power Administration (Western) contracts for capacity and associated energy.

Each of NCPA's Members has the exclusive authority to set retail rates sufficient to cover power purchase obligations. Power purchase contracts between NCPA and third parties are not subject to prudence review by state regulatory agencies and may be enforced in accordance with their terms, which are recognized in California Courts. The California Public Utilities Commission is without any jurisdiction over the power purchase contracts of such NCPA Members. Contracts to be executed as a result of this RFP are intended as binding legal agreements enforceable in the California courts.

Each NCPA Member, participating in this RFP, operates its own electric system as an enterprise and special fund. Each NCPA Member is obligated to establish and collect fees and charges for electricity furnished through its electric system sufficient to pay any and all amounts payable from electric system revenues, which include amounts of capacity or energy, or both, furnished pursuant to an Agreement entered as a result of this RFP. Fees and charges for electricity furnished through each NCPA Member's electric system are not taxes and are thus not subject to California tax and voter limitation provisions such as Propositions 13, 62, and 218.

2 DESCRIPTION OF REQUESTED POWER SUPPLY

NCPA will accept long-term contract or equity position proposals for renewable electric power supply which include, but may not be limited to: biomass, municipal solid waste, waste tire, waste gasification (various fuels), solar (thermal), solar (photovoltaic), wind, geothermal, small hydro, digester gas, landfill gas or municipal solid waste. A Respondent may submit a proposal that specifies an energy source other than one of those listed above. Any Respondent, who chooses to propose an energy source not on the above list, must provide adequate documentation in their Stage 1 proposal so that NCPA, in its sole discretion, may make a determination as to the suitability of the proposal for this RFP process.

NCPA will not accept proposals for renewable resources that do not retain their renewable attributes. For example, if a Respondent submits a new small hydro project proposal where the project is transferred to NCPA but the green tags are retained by the Respondent for sale to a third party, NCPA will reject the proposal.

Depending on the value and type of proposals received, NCPA could accept a total installed capacity of 30MW to 85MW in 2005 and beyond.

3 EVALUATION PROCESS

The RFP evaluation process will be completed in two stages. The Stage 1 Proposal Questionnaire (Attachment 1) is due to NCPA by 5:00pm (PPT) April 11, 2003. NCPA will perform a preliminary review of all responsive proposals and rank their value to NCPA relative to other proposals as well as all other options available to NCPA. Respondents notified that their proposals satisfy the Stage 1 criteria will, at that time, be advised of the due date for the Stage 2 Proposal Questionnaire (Attachment 2). NCPA, in its sole discretion, may reject any late or non-responsive proposal.

NCPA may request that Respondents complete supplemental questionnaires and/or meet for oral interviews at any stage of the RFP process. Respondents failing to provide information, deemed necessary by NCPA to adequately review a proposal, may be eliminated from further consideration at any stage or time during the RFP process.

4 EVALUATION CRITERIA

NCPA will evaluate power supply proposals to determine which proposals are likely to provide the greatest overall value to its Member utilities. All proposals will be evaluated based on factors that include but are not limited to: proposal term, technology, energy source, location, delivery point, status, timeline, joint action

partners, environmental benefits as well as Respondent experience, public credit rating, financial stability, extent of off-balance sheet financing, product pricing terms, delivery, service levels, and other relevant criteria.

In addition, depending on the project being proposed, proximity to load may have value to certain NCPA Members. Those Members may be interested in being a host or assisting in direct connection to their distribution grid.

Evaluations will be based on information provided during the two-stage RFP process, possible oral interviews with the Respondent, information already known by NCPA, and other publicly available information.

All responses, questions and communications shall be directed or submitted to:

Northern California Power Agency
Attn: Dana W. Griffith
Power Coordination and Planning Engineer
180 Cirby Way
Roseville, CA. 95678

Tel: 916-781-3636
Fax: 916-783-7693

Or by email to the following address:
NCPAGreenRFP2003@ncpa.com

5 GENERAL PROVISIONS

If the Respondent so specifies, NCPA will make reasonable efforts to keep the contents of a proposal confidential. Proposers should mark as 'Confidential' those portions of a proposal they wish to remain confidential. Such information may, however, be made available under applicable State or Federal law. NCPA also reserves the right to release such information to its agents, contractors, or Member utilities for the purpose of evaluating a Respondent's proposal. Such agents, contractors and Member utilities will be required to observe the same care with respect to disclosure as NCPA. Under no circumstances will NCPA, its Commission, managers, agents, contractors or Member utilities, be liable for any damages resulting from any disclosure of Respondent's claimed confidential information during or after this RFP process.

Although NCPA is interested in meeting its needs by acquiring resources that provide the greatest value to its Members, evaluation of a proposal does not constitute a commitment by NCPA to purchase energy and/or capacity from any source. NCPA Members and NCPA are not obligated in any way to proceed with this RFP or consider or enter into any agreement or undertake any liability to any Respondent in connection with this RFP and any and all proposals, whether qualified or not, may be rejected without any liability whatsoever to any Respondent on the part of NCPA or any NCPA Member.

NCPA shall not be responsible for any costs incurred by Respondent to prepare, submit, negotiate, or participate in this RFP process.

ATTACHMENT 1

PROPOSAL QUESTIONNAIRE Stage 1

GENERAL INSTRUCTIONS

Please provide answers to the following questions. Where appropriate, you may reference other documents you have provided in your proposal package to NCPA. When referencing other documents, provide exact reference locations. (e.g. page number, paragraph number, etc.)

1. GENERAL INFORMATION REGARDING RESPONDENT.

Provide a general description of the organization of the Respondent. This information should include the name and address of the Respondent and principals in the organization. If the Respondent is a corporation, identify its officers, state of incorporation, and any parent corporation (if it is a subsidiary). If the Respondent is a partnership (or other form of business organization, such as LLC, etc), identify the general partner(s) and state(s) where partnership(s) filings have been made. Provide the name, title, mailing address, email address and phone number of the appropriate contact person(s) for this proposal.

2. QUALIFICATIONS OF RESPONDENT.

Provide a discussion and description of Respondent's qualifications in providing power to utilities. This discussion should include projects with which Respondent has previously been involved, the location, size, technology, fuel type, role the Respondent plays or played in each project and client references.

3. GENERAL DESCRIPTION OF PROPOSAL.

In general terms, explain the proposal being made to NCPA. Include, as appropriate, the following information:

- a. Project's original commercial on-line date,
- b. Proposal term (beginning and end dates),
- c. Technology,
- d. Energy source,
- e. Location,
- f. Delivery point,
- g. Status (e.g. existing project, contract commitments, permitting, site control, construction, fuel supply, etc),
- h. Timeline (e.g. permitting completion, construction start, on-line date, etc),
- i. Joint action partners (e.g. Photovoltaic installation on a public building would require joint action between the Respondent and a public agency),
- j. Environmental benefits,
- k. Green certifications,
- l. Business structure (e.g. Joint development, share of larger project, sharing of tax credits, equity sale, sale of distressed or otherwise valuable property, contract etc.) and,
- m. Any other information necessary for NCPA to evaluate the proposal.

4. PRICING INFORMATION

Provide all information needed by NCPA to document or interpret the price provisions of the proposal.

- a. **Price Summary** – Price in \$/Mo, \$/KW-Mo and/or \$/MWh at the Delivery Point. (If an ISO Zone is defined as the delivery point and the ISO zone is modified, the new delivery point shall be the zone, or

other delivery point, most closely resembling the current ISO zone, as determined by mutual agreement of the parties.)

- b. **Other Information** – As Appropriate, provide the following and/or all other information necessary to interpret the Price Summary information provided in 4. a. above.
1. **Escalators** - If the proposed pricing is structured as a base price combined with an escalator (rather than a fixed price schedule) identify and explain the escalator. For example, the escalator associated with the cost of natural gas might be composed of an inflation component, a real natural gas cost component and a transportation component. Identify all components of escalators and proposed indexes.
 2. **Price Provisions** - Describe any proposed provisions for price floors, price ceilings, or other fixed obligations.
 3. **Heat Rates** - If the price being proposed is a function of a heat rate and a fuel price, indicate the heat rate, the source of the fuel and expectations of fuel price escalation. (Provide both the high heat value and low heat value.)
 4. **Turnkey** - If the project is being proposed as a turnkey project, indicate the price, any adders, subcontractors, and expected operating costs of the project. Indicate whether the Respondent prefers to provide O&M services and under what conditions.
 5. **Rebates or Credits** – If the project pricing includes Federal, State or other grants, rebates, loans etc, provide sufficient information for NCPA to evaluate pricing credibility.

5. DETAILED OPERATING CHARACTERISTICS

Provide all information needed by NCPA to document or interpret the operating characteristics of the proposal.

- a. **Energy** - Energy deliveries by year, month, and time of day.
- b. **Capacity** - Capacity and/or rate of delivery by year, month and time of day.
- c. **Forced Outages** - Expected forced outage rate. Explain the basis for the estimate.
- d. **Maintenance** - Expected annual maintenance requirements, including the duration, frequency, schedulability and flexibility. Explain the basis for the estimate.
- e. **Operation Requirements** - Explain the degree to which the project can be curtailed, dispatched, and/or scheduled. Provide information on minimum operating levels (MW), maximum operating levels (MW), ramp rates, capacity factor, seasonal and daily output variability, and minimum down times. Explain any environmental or other operating constraints or information necessary to model how the project could be integrated into the NCPA system.
- f. **Other Capabilities** – Define any other capabilities the proposal provides (e.g. Ancillary Services.)

ATTACHMENT 2

PROPOSAL QUESTIONNAIRE Stage 2

1) CONTRACT TERMS THAT PROPOSERS MUST SPECIFICALLY ADDRESS.

- a. NCPA will not accept any contract termination provision that provides a defaulting party with any termination payment or settlement amount.
- b. Governing law shall be the law of the State of California,
- c. Venue for dispute resolution shall be conducted in Sacramento County, California.
- d. The type of security or any other forms of performance guarantee that would be provided to NCPA. Such security would be used to mitigate the risk to NCPA of a project failing to come on-line in a timely manner or failing to fulfill its obligations for the term of the contract.
- e. In light of NCPA's ability to recover cost via retail rates of its member utilities, NCPA prefers not to be subject to collateral thresholds or be required to post any collateral
- f. Scheduling will be performed by NCPA. Scheduling timelines will be consistent with the CAISO (or its successor) tariffs, protocols, operating procedures and scheduling practices.
- g. Payment provisions that allow payments to be made at least 20 days after the last day of the month in which energy was delivered.

2) MILESTONE SCHEDULE

If applicable, Respondent will provide a sufficiently detailed major milestone schedule that includes at least the following:

- a. Site control/acquisition schedule,
- b. Schedule for acquisition of permits and licenses
- c. Schedule for purchasing and receiving major equipment
- d. Financing schedule
- e. Construction schedule including anticipated testing and commercial operation dates
- f. Transmission and interconnection service schedule

3) PROVIDE THE FOLLOWING DOCUMENTATION

- a. Describe any and all pending litigation that could affect the viability of respondent's proposal or respondent's financial stability,
- b. Describe and threatened or asserted claims against the Respondent or the project offered in the proposal,
- c. Provide copies of all currently held certificates, licenses, permits, franchises or other governmental approvals associated with the proposal and list all liabilities associated with these such as notices of violation, litigation, etc.,
- d. Describe regulatory proceeding issues that may impact the proposal.

4) CREDIT REVIEW DATA

- a. Legal name of entity requesting credit evaluation: _____
- b. Contact Person in regard to credit: _____ Tel. _____
- c. Type of Entity (check one):
 1. Federal or Foreign Governmental _____
 2. State or Province _____
 3. State Joint Action Agency _____
 4. Municipal _____
 5. Not for profit cooperative _____
 6. Investor Owned Utility _____
 - a) Parent _____

- b) Subsidiary _____
7. Power Marketer _____
- a) Parent _____
- b) Subsidiary _____
8. Other _____
- d. Number of years in electric business (check one):
1. 10 or more years in total; in California more than 3 years _____
 2. 10 or more years in total; in California less than 3 years _____
 3. 10 or more years in total; none in California _____
 4. Less than 10 years _____
- e. Years of doing business with NCPA (check one):
1. 5 years or more _____
 2. 3 or 4 years _____
 3. 1 or 2 years _____
 4. None _____
- f. Status of generation and transmission (check one):
1. Own generation & transmission _____
 2. Own generation _____
 3. Own transmission _____
 4. Transmission Rights _____
 5. No ownership of either generation or transmission resources _____
- g. Is your entity a WSPP Member? (Yes or No) _____
- h. Is your entity a signatory to the WSPP netting agreement? (Yes or No) _____
- i. Credit Limit Requested with NCPA \$ _____
- j. Are you requesting NCPA to act as your California ISO Scheduling Coordinator? (Yes or No) _____
- If yes, please summarize your electric power business plan for next 12 months:
- (1) Highest level of outstanding purchases for any one month in MWh _____
 - (2) Expected level of total purchases for the 12 mos. period in MWh _____
 - (3) Highest level of outstanding sales for any one month in MWh _____
 - (4) Expected level of total sales for the 12 mos. period in MWh _____
- k. Collateral in order of preference (Number 1 through 5):
- (1) Escrow fund deposits _____
 - (2) Parent company guarantee _____
 - (3) Bank irrevocable letter of credit _____
 - (4) Security Agreement from A.M Best rated insurance company _____
 - (5) Other _____
- l. Credit & financial data submitted herein applies to:
- (1) Entity requesting credit review _____
 - (2) Parent company _____
 - (3) Both _____
- m. Web Site Address: _____
- n. Credit Ratings (Provide copy of analyst report or web address to access each):
- (1) Standard & Poors _____ Access address _____
 - (2) Moodys _____ Access address _____
 - (3) Fitch _____ Access address _____

(4) Duff & Phelps _____ Access address _____
(5) Shear Line _____ Access address _____

- o. Financial Statements (Check one and provide copy or web address to access):
(1) Audited _____
(2) Unaudited _____
- p. Provide a copy of Annual Financial Plan/Budget (Governmental Units/Entities Only):
(1) For all funds _____
(2) Electric enterprise fund only _____
- q. Provide copies of most recent S.E.C. filings, i.e., 10K, 10Q, etc., or web site address where such documents may be accessed _____.
- r. Attach list of names, addresses, contact persons and telephone numbers of your banking at least three other credit references in the electric power industry.
- s. Provide entity's:
1. Federal Tax Identification Number _____
2. DUNS number _____

3. STAGE 2 ADDITIONAL QUESTIONS

NCPA will prepare and forward additional questions, as necessary, in order to further evaluate those proposals that in NCPA's sole opinion merit further consideration.

ATTACHMENT 3 Map of NCPA Members

